

SECRET

Approved For Release 2001/08/28 : CIA-RDP68-00140R000200160001-2

OGC Has Reviewed

OGC 64-0792

11 MAR 1964

**MEMORANDUM FOR: Special Support Assistant to the Deputy
Director (Support)**

ATTENTION: Mr. [REDACTED]

25X1A9a

**SUBJECT: Plan to Assist Personnel with Sale of
Their Homes Upon Transfer**

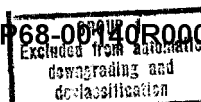
1. You have asked our opinion with respect to the legality of assisting personnel being transferred with the sale of their homes.

25X1A9a

2. The file indicates that Mr. [REDACTED] described the following plan to the Deputy Director which is used in industry to cope with the financial burden suffered by employees in transferring from one geographical area to another:

"The employee's home is appraised by the corporate realtor and two appraisers locally selected. The employee assigns the house to the corporation at this appraised value. The corporation pays the employee 5% interest on his equity in the house, assumes the mortgage and other financial payments, manages the property, and has complete freedom of action with respect to renting. Its freedom of action with respect to selling is limited for a period of two years, extendible by mutual agreement. This freedom to sell is limited by the employee's valuation of the house. If the house can be sold for the employee's valuation (always more than the realty appraisal) the sale is made and the difference between that selling price, the mortgage, and any loss during the operating period by the corporation is then paid to the employee. If the house cannot be sold at the employee demand figure at the end of two years the house is either turned back to the employee without loss charges, if any,

SECRET



SECRET

Approved For Release 2001/08/28 : CIA-RDP68-00140R000200160001-2

or is sold outright to the corporation for the appraised value, again without loss charges, if any. Obviously, should the employee leave the company, the plan is automatically canceled."

3. There would appear to be no legal basis upon which to adopt this or any similar plan for application to Government employees. While Congress could provide such benefits to officers and employees, it has not done so. Agency proprietaries, on the other hand, where advisable for commercial cover purposes, could probably develop such a plan for their direct hire personnel.


Office of General Counsel

25X1A9a

Attachments:

DD/S 64-1584 memo to SSA-DD/S dtd
17 Mar 64 w/atts as stated therein

Approved For Release 2001/08/28 : CIA-RDP68-00140R000200160001-2

SECRET

ORIGINAL DOCUMENT MISSING PAGE(S):

Missing Attachment